

DOCKET FILE COPY 0013

UNITED STATES FEDERAL COMMUNICATIONS COMMISSION

In the Matter of	)	EB Docket No. 02-21
Peninsula Communications, Inc.)	
Licensee of stations	)	File No. EB 01-1H-0609
KGTL, Homer, Alaska;	)	FRN: 0001-5712-15
KXBA(FM), Nikiski, Alaska;	)	Facility ID Nos. 52152
KWVV-FM, Homer, Alaska; and	)	86717
KPEN-FM, Soldotna, Alaska.	)	52145
	)	52149
Licensee of FM translator stations)	
K292ED, Kachemak City, Alaska;	)	52150
K285DU, Homer, Alaska;	)	52157
K285EG and K272DG, Seward, Alaska	)	52158 and 52160
Former licensee of FM translator)	
stations)	
K285EF, Kenai, Alaska;)	
K283AB, Kenai/Soldotna, Alaska;)	
K257DB, Anchor Point, Alaska;)	
K265CK, Kachemak City, Alaska;)	
K272CN, Homer, Alaska; and)	
K274AB and K285AA, Kodiak, Alaska)	

Witness: Tiarnan Coval

Volume: 3

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Place: Homer, Alaska

Date: August 15, 2002

HERITAGE REPORTING CORPORATION

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ORIGINAL

Before the
Federal Communications Commission
Washington, D.C. 205545

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DEPOSITION OF TIARNAN COVAL

August 15, 2002

Pursuant to Notice, the deposition of Tiarnan Coval was taken before Merriam Warrington, Notary Public in and for the State of Alaska, and Reporter for H & M Company, at Homer, Alaska, on the fifteenth day of August, 2002, beginning at the hour of 9:00 a.m.

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P R O C E E D I N G S

August 15, 2002

(On record at 9:05 a.m.)

THE REPORTER: On record. My name is Merriam Warrington, I am the recording clerk for H & M Company who is taking this deposition today for Kron Associates Reporting.

Today's date is Thursday, August 15, 2002, and the time is 9:05. We are taking this deposition at the Best Western Bidarka Inn, 575 Sterling Highway, Homer, Alaska 99603.

The case is before the Federal Communications Commission, Washington D.C., EB Docket Number 02-21, File Number EB 01-1H-0609, FRN 0001-5712-15, in the matter of Peninsula Communications, Incorporated. The deponent's name is Tiarnan Coval. Would counsel please identify themselves for the record?

MS. LANCASTER: I'm Judy Lancaster and I represent the FCC. And along with me is Mr. James Shook who's also -- represents the Federal Communications Commission.

MR. SOUTHMAYD: On behalf of Peninsula Communications, Inc., I'm Jeffrey D. Southmayd, Southmayd and Miller, Washington, D.C.

THE REPORTER: Are there any stipulations to go on the record today?

MS. LANCASTER: No.

1 THE REPORTER: Okay. Mr. Coval, would you please raise
2 your right hand?

3 (Oath administered)

4 MR. COVAL: I do.

5 **TIARNAN COVAL**

6 a witness, called for examination by counsel on behalf
7 of the Federal Communications Commission, being first duly
8 sworn, examined and testified as follows:

9 THE REPORTER: Thank you. For the record would you
10 please state your full name, spelling your last, and give me
11 your mailing address and phone number for the record?

12 THE WITNESS: First name is Tiarnan, T-I-A-R-N-A-N,
13 middle initial A, last name C-O-V as in Victor, A-L.
14 Mailing address is 1615 East Aliak, A-L-I-A-K, Drive, and
15 that's in Kenai.

16 THE REPORTER: And the zip code there in Kenai?

17 THE WITNESS: 99611.

18 THE REPORTER: And your phone number please?

19 THE WITNESS: Home or office?

20 THE REPORTER: Office.

21 THE WITNESS: 283-7423.

22 THE REPORTER: And your occupation Mr. Coval?

23 THE WITNESS: Sales Manager.

24 THE REPORTER: Thank you. Counsel, you may proceed.

25 //

1 DIRECT EXAMINATION

2 BY MS. LANCASTER:

3 Q Mr. Coval, my name is Judy Lancaster, and as you heard
4 and I've already introduced myself, I represent the FCC
5 in this deposition. I just want to go through a couple
6 of things with you before we get started. Have you
7 ever taken -- had your deposition taken.....

8 A No ma'am.

9 Qor attended a deposition before?

10 A No ma'am.

11 Q What's going to happen is I'm going to ask you some
12 questions and you're expected to answer fully and
13 truthfully. If you don't understand a question then
14 ask me to explain it or if you didn't hear me clearly
15 ask me to repeat it. I'm not trying to trick you in
16 any way. You need to respond with clear verbal
17 responses. Uh-huh and unh-unh don't come through on
18 the tape so you need to say yes or no when you respond
19 to a question. Are you on any medication that would
20 affect your testimony, your ability to testify?

21 A No ma'am.

22 Q Any other reason you're unable to testify this morning?

23 A No. I had -- it has been a rough month for us, I lost
24 my mother just two weeks ago, and just prior to her
25 funeral service we found out that my mother's -- my

1 mother-in-law is in the hospital with stage four
2 terminal cancer. So my wife and family are there
3 currently and I've been a little scatterbrained. But
4 other than that, no, there's no reason why I can't give
5 testimony.

6 Q Well, I'm sorry to hear about your circumstances,
7 but.....

8 A Thank you.

9 Qyou don't think that that will affect your
10 testimony here today?

11 A No ma'am.

12 Q Okay. You've already given your name as Tiarnan. Do
13 you go by Tiarnan or do you go by Terry?

14 A Depends on -- when I'm in trouble or not. Typically
15 I'm known within the community as Terry. Close friends
16 and family, Tiarnan.

17 MR. SOUTHMAYD: Judy, can I ask you a question?

18 MS. LANCASTER: Certainly.

19 MR. SOUTHMAYD: I noticed that in the oath there was no
20 so help me god, is that because we're in the Ninth Circuit
21 out here?

22 MS. LANCASTER: Well, gee, I'm not that terribly
23 familiar with the procedures in the Ninth Circuit, I don't
24 know how to answer that.

25 MR. SOUTHMAYD: Okay. Go ahead, sorry.

1 MS. LANCASTER RESUMES:

2 Q You've also already given your work phone, will you
3 please also give me your home phone?

4 A Yes, home phone is area code (907) 283-8423.

5 Q You're married I've heard you say I believe.

6 A Yes ma'am.

7 Q And you have children?

8 A Yes ma'am.

9 Q What is your education level?

10 A Third year of college.

11 Q And what was your major?

12 A Biblical ministerial and business.

13 Q They needed you at roll call (ph).

14 A Yeah.

15 Q How long have you been working for Peninsula?

16 A Approximately 10 years.

17 Q And what did you do prior to that time?

18 A I was -- I worked for the City of Unalaska.

19 Q Doing wh -- City of who?

20 A City of Unalaska.

21 Q Can you spell that for me?

22 A U-N-A-L-A-S-K-A.

23 Q Is that the anti-Alaska city, is that.....

24 A No. It's City of Unalaska, Dutch Harbor, it's farthest
25 north -- north -- I'm sorry, farthest west fishing port

1 in the United States.

2 Q And what did you do there?

3 A At different points in time I held position as Heavy
4 Equipment Operator, Landfill Attendant and Animal
5 Control Officer.

6 Q Did you have any radio or broadcast background prior to
7 joining PCI?

8 A No.

9 Q Did you have any sales background prior to joining PCI?

10 A No.

11 Q I was told that the home that you live in is supplied
12 to you by PCI, is that correct?

13 A No ma'am. We had initially -- when we -- when I very
14 first started for Dave Becker I worked as on site
15 security at the Kenai facility. Since then we have
16 purchased a house on our own and we use that facility
17 as an office.

18 Q Okay. How about your car, I was also told that that
19 was provided by -- when I say Peninsula or PCI I mean
20 the same -- you understand that I'm talking about.....

21 A Yes.

22 QPeninsula Communications?

23 A At one point in time the station leased a truck for
24 station purposes. But when the lease expired on the
25 truck I picked up the payments on the truck and

1 purchased the truck at that point in time. I do
2 receive reimbursement for gas allowance.

3 Q Okay. Aside from your salary are there any other perks
4 that you receive from PCI?

5 A No.

6 Q Do any of the other employees or contractors get perks
7 from PCI that you're aware of?

8 A No.

9 Q What was your starting -- your job title when you first
10 started to work for PCI?

11 A Account Executive.

12 Q What's your current job title?

13 A Sales Manager.

14 Q Did you go straight from an Account Executive to a
15 Sales Manager or was there an interim title?

16 A I worked for about -- oh, I think it was about three or
17 four years as an Account Executive and then when the
18 previous Sales Manager retired I was promoted to Sales
19 Manager.

20 Q And how long have you been Sales Manager?

21 A Approximately six years.

22 Q Describe Mr. Becker's duties at PCI, what does he do?

23 A General Manager, owner, Chief Engineer and chief bottle
24 washer. Anytime there's a job to do that -- that needs
25 to be done Dave is willing to jump in and do it, it

1 doesn't matter whether he feels that it's -- there is
2 no it's below me, if there's a job that needs to be
3 done he'll do it.

4 Q Okay. Does he have anything to do with the bookkeeping
5 functions at all?

6 A That would be beyond my -- my scope, I don't know.

7 Q Okay. How about Eileen Becker's duties or involvement
8 at PCI, what does she do?

9 A That's beyond my scope as well. I work out of the
10 Kenai office so I have very little contact with the
11 Homer office.

12 Q How many broadcast facilities -- not talking about
13 towers that have translators, but like studios, does
14 PCI use?

15 A We use one main studio and that's off of the Homer --
16 the Diamond Ridge office. We do have a remote facility
17 at the Kenai office where I currently work. But we do
18 not use that for broadcast purposes.

19 Q Is it just an office, there's not any broadcast
20 equipment there?

21 A We have broadcast equipment there for KPEN and K Bay.

22 Q Who else is in the Kenai office with you, anyone?

23 A Gary Hondel.

24 Q Spell his last name for me.

25 A H-O-N-D-E-L.

- 1 Q Okay. And what is his position?
- 2 A Account Executive.
- 3 Q And approximately how long has he been employed by PCI?
- 4 A Right around two years give or -- give or take a -- a
- 5 couple of months.
- 6 Q He's been an Account Executive that entire time?
- 7 A Correct.
- 8 Q Anyone else work in that office?
- 9 A Not currently, no.
- 10 Q Have there been others that did work there?
- 11 A Yes.
- 12 Q And who were they and when did they change or leave?
- 13 A Daniel Meeks, last name M-E-E-K-S. And he was employed
- 14 with us for approximately one year.
- 15 Q When was that?
- 16 A Last fall I believe is when he left.
- 17 Q What did he do?
- 18 A Account Executive.
- 19 Q Anyone else?
- 20 A Recent or how far back do you want to go?
- 21 Q I'll go back as far as you have been there.
- 22 A Okay. Jim Childers, last name C-H-I-L-D-E-R-S, was a
- 23 Sales Rep for a very short period of time before Dan
- 24 Meeks.
- 25 Q Approximately what year?

- 1 A The year before, so it would have been two years ago so
2 this is 2002 so 2001 would have been Dan, approximately
3 year 2000.
- 4 Q Okay. Anyone else?
- 5 A Russell Hicks, last name H-I-C-K-S. And he was the
6 person that Jim was hired to replace, so he was there
7 for the four years prior to that approximately.
- 8 Q He was also a Sales Rep, is that.....
- 9 A Correct.
- 10 Qcorrect
- 11 A Correct.
- 12 Q Sales Rep for approximately four years?
- 13 A Correct.
- 14 Q Which would have been 1996 to 2000 approximately?
- 15 A Approximately, yes.
- 16 Q Anyone else?
- 17 A That would be it.
- 18 Q Okay. Do you have other employees who work for PCI
19 that you're aware of but who are not located in either
20 the Kenai or the Homer office?
- 21 A No.
- 22 Q How about employees who are -- who sell in other areas,
23 are they -- they still work out of the Kenai or Homer
24 offices?
- 25 A Kenai and Homer are the only two offices, sale off --

1 sales offices that we operate out of.

2 Q Okay. Describe the programming for each of the
3 stations.

4 A Okay. Included in the printouts that I was requested
5 to bring down I have a brief overview of the stations.
6 K Wave FM 105 is a 100,000 watt stereo station,
7 programming adult contemporary hits, top hits of the
8 80's and 90's and current. Currently the Peninsula's
9 exclusive adult contemporary concert connection for
10 Twin Cities Productions. That has since changed
11 because Twin Cities is no longer operating in the
12 function that they were previously to bringing concerts
13 in. The target demo for station is 18 to 49 with the
14 strong appeal from 18 to 45 years of age with a
15 peninsula wide medium. KPEN FM 102 is the peninsula's
16 only FM stereo country station, currently licensed to
17 broadcast at 25,000 watts. And the target demo there
18 is men and women 25 to 54, and again that's a peninsula
19 wide medium. K Bay FM 93.3, KXBA, is the peninsula's
20 new -- what we call the Peninsula's new powerhouse
21 station pumping out 50,000 watts of power in the
22 central peninsula.

23 Q And what was the frequency on that one again please?

24 A 93.3.

25 Q Okay.

- 1 A Currently K Bay is running an oldies format featuring
2 good times and great oldies from the late 50's, 60's
3 and early 70's with the core years being 1964 to 1969.
4 The target demo is men and women 35 plus, however we
5 have found that there's -- that the appeal of this
6 programming far exceeds what we had initially
7 considered to be our core -- our core target
8 demographic and we're finding that both and young and
9 old are enjoying the format, so it's been a real good
10 format for us. And that's the central peninsula
11 medium. And then KGTL AM 620 is a 5,000 watt station
12 programming the music of your life format which
13 includes big band music, standards and all time
14 favorites of each and every generation. Target demo is
15 men and women 35 plus and that is a south peninsula
16 medium which basically incorporates Homer and Anchor
17 Point area.
- 18 Q Okay. I didn't write everything down originally so let
19 me -- the K Wave 105, where is that -- what area does
20 that serve?
- 21 A It's a peninsula wide medium.
- 22 Q Okay. And the KPEN, what is that -- what area does
23 that serve?
- 24 A Peninsula wide medium.
- 25 Q Okay. And then K Bay is central peninsula and KGTL is

- 1 south peninsula, is that correct?
- 2 A Correct.
- 3 Q Okay. Who handles the bookkeep -- I want to say the
- 4 bookkeeping functions for each station, do you know?
- 5 A That would be handled out of the Homer office, so I
- 6 don't know.
- 7 Q Have you ever been in the Homer office, have you worked
- 8 out of the Homer office at some point?
- 9 A I come down to the Homer office from time to time, but
- 10 I do not work out of the Homer office, no.
- 11 Q Have you ever worked out of the Homer office.
- 12 A No. Other than being down here and having something
- 13 come up and having to, you know, handle it from here
- 14 rather than being in Kenai to handle it.
- 15 Q So how often do you come to the Homer office?
- 16 A Well, as little as possible. Dave Becker feels that I
- 17 am most effective in the field and that's where he
- 18 likes to keep me.
- 19 Q And what does as little as possible mean? Give me an
- 20 approximation please.
- 21 A It -- it varies, it might be -- there have been points
- 22 in time where I've been down here once a month, there
- 23 has been points in time where it was three months
- 24 before I'd -- I'd been down. Most of our contact takes
- 25 place daily over the telephone.

1 Q So the most frequent that you would typically be here
2 would be monthly.

3 A Correct.

4 Q Are you telling me that you don't know who does the
5 bookkeeping functions in the Homer office?

6 A Yes ma'am.

7 Q Okay. Do you know what the expenses are for the
8 various stations? Any of the stations?

9 A No.

10 Q Do you have territories -- sales territories for each
11 of the various salespeople?

12 A Yes and no. That's always a real tricky one as to
13 where do you draw the boundaries because accounts
14 change. And it might be with one agency this month and
15 it might be with another agency next year. So we try
16 to -- try to be as flexible as possible. But for
17 general purposes Gary Hondel handles the Seward market
18 and I handle the Kodiak market. And then we both work
19 the Kenai Soldotna market and the Anchorage market.

20 Q Okay, great.

21 A And then Tim handles the sales for here in Homer.

22 Q Okay, I'm trying to write this as you tell me and I'm a
23 little slower than.....

24 a That's okay.

25 Qwriting than you are at speaking. Go back to the

1 second, when you said Hondel -- you handle -- where do
2 you handle?

3 A I handle Kodiak.

4 Q Okay.

5 A Kenai Soldotna and Anchorage. And Anchorage includes
6 national accounts as well.

7 Q How do you determine commissions? Do you get -- well,
8 let me go back. Do you get paid by -- on commission?

9 A Yes ma'am.

10 Q Does everyone get paid the same commission percentage?

11 A Yes ma'am.

12 Q And what is that?

13 A Fifteen percent.

14 Q Has it always been that particular amount?

15 A Yes.

16 Q Okay.

17 A Now Gary Hondel is set up on a flat monthly salary and
18 then when his commission exceeds basically a stipend,
19 when he exceeds his base pay then he's paid commission
20 for above and beyond what he makes.

21 Q So it's kind of like a draw situation?

22 A Kind of. He's guaranteed I think it's like \$2,500.00 a
23 month and then if he -- if his commissions exceed
24 \$2,500.00 a month then he gets compensated for the
25 commissions that would be above and beyond what he

1 would have earned for his base pay.

2 Q Okay.

3 A It's difficult for somebody new coming into this market
4 to -- to jump straight into a commission, commission
5 salaried position, so that's how we set it up that way.

6 Q Is that generally how you set up a new person -- any
7 new salesperson that comes in?

8 A For the most part, yes.

9 Q And how long does that situation normally last?

10 A It depends on the individual. For myself it was about
11 two going on three years and each time that -- each
12 time that Dave raised my base pay it was in reflection
13 to the fact that -- that my commissions were coming in
14 in that neighborhood and it was an incentive on his
15 part to try to get me to be a little stronger in my
16 sales. But typically yes, that's what we do. And I
17 think the last -- Dan was on for a year, I'm not sure
18 what the agreement is with Gary as to the length of --
19 of the time that he's going to be on base pay plus
20 commission.

21 Q And tell me the procedure that you use to turn in -- to
22 get your commissions. I mean do you -- every time you
23 do a sale do you fill out a slip of paper and you turn
24 it into somebody, how does that work?

25 A Well, we fill out a time order and that basically tells

1 the client when they want to start their ads, when they
2 want to end their ads, how many ads they want to run
3 per week. A lot of times they'll tell us even the day
4 parts that they want to run in. When that's turned
5 into the station it then is added into the computer
6 system at the station and then anywhere from 30 to 120
7 days out we typically collect commission because we do
8 not get paid until after the client is paid.

9 Q Who do you turn it in to?

10 A It's usually faxed straight to the station to Heather
11 who is our Traffic Director. She does all of the
12 logging.

13 Q Heather who?

14 A Heather Lewis. I had to stop and think for a minute.

15 Q L-E-W-I-S?

16 A I believe so, yes.

17 Q When you say Traffic Manager, what is a Traffic
18 Manager?

19 A She is the one that handles all of the logging for the
20 station and we call that traffic. When the spots are
21 supposed to air, what sponsor's supposed to air. She's
22 the one that feeds the information into the computer so
23 that it goes out on the air when it's supposed to.

24 Q So it's all computerized basically?

25 A Correct.

1 Q Okay. Let's look at the rate sheet that was turned in
2 to us previously. And I think you were going to -- one
3 of the things that we had asked you about was there
4 appeared to be a page missing. Were you talk -- did
5 Dave or Eileen talk to you about that?

6 A Are you talking about the media packet itself?

7 Q I don't know if I have an entire media packet. All I
8 know is I have this little document right here.

9 A May I see what you're looking -- what you're referring
10 to? Okay. Typically what you're looking at -- let me
11 give that right back to you. Here is a -- the -- the
12 proposals that we turn out, this is a base core of the
13 proposals. And basically what we do is adapt them to
14 each client's individual needs, we kind of use it as a
15 template. And what you're looking at is several pages
16 out of a station information packet.

17 Q Okay.

18 A And this one is minus the rate card that you have there
19 because I was already under the impression that you had
20 the rate card so I didn't feel it was necessary to
21 bring another one. But the two pages in question that
22 you're referring to that were missing are page three
23 and four. And these are -- this is an area within the
24 proposal that an individual salesperson can customize
25 the information to the client. For instance I put two

1 sample letters in here that -- that I have used in the
2 past. One is please feel free to look over the
3 following station information packet that you
4 requested. It is my hope that it will answer any
5 questions that you might have concerning our market
6 area. However, in the event you have any questions
7 pertaining to our station's coverage or our area in
8 general please feel free to call me directly. And then
9 I have my phone numbers listed. It's just more or less
10 a personal touch. And we can put different types of
11 information in there. If it's a client that we know
12 that is responding to, you know, environmental
13 influences we can use that space to adapt the
14 information that we're putting into the proposal to
15 their specific needs to make it more of a personal
16 presentation rather than just a generic packet.

17 Q Now when you say you adapt the presentation or the
18 service, whatever, to a particular client's needs, does
19 that mean that the rates that are on this -- for lack
20 of a better term I'm going to call this a rate
21 card.....

22 A Yes ma'am.

23 Qbecause I don't know what it's supposed to be
24 called. Does that mean that the rates are negotiable?

25 A Pretty much, they have been for quite some time. What

1 we ran into is since our competitor has four stations
2 these days what he does is he -- this is our standard
3 rate card, that's what we charged for each individual
4 station. What he's come along and done recently is he
5 takes and he will sell one station at rate card and
6 bonus them the other three stations. So in essence,
7 you know, we lock in with the rate card and we try to
8 charge for two stations or three stations and they say,
9 well, I'm only paying a third of that over here. So we
10 haven't really used the rate card in the last probably
11 three or four years. It's a standard to -- to work off
12 of. But, you know, throughout the course of the year
13 we've put together some of the proposals that you'll
14 see in here are proposals that we've been working in
15 order to try to stay competitive and keep some money
16 coming into the station during some of the slower
17 months.

18 Q Okay. Explain to me how to read the rate card, what
19 does this mean?

20 A Okay. Basically what you have here is this is K Wave
21 on the top, triple A DAP and TAP times. Triple A is
22 your drive times. Okay? And that's typically from
23 6:00 to 9:00 a.m. and 3:00 to 6:00 p.m. DAP is our
24 daily audience plan which is 6:00 a.m. to 7:00 p.m.

25 Q Wait a minute, I'm writing. DAP is -- what is it

1 called?

2 A Daily audience plan.

3 Q Okay.

4 A And it runs from 6:00 A to 7:00 P. And then we have
5 what we call a total audience plan which runs from 6:00
6 a.m. to 12:00 midnight. And basically what that means
7 is whichever one of those packages you purchase that's
8 where your spots are going to air. And then we have a
9 60 second rate and a 30 second rate for each of those.

10 Q Okay. Are you able to -- if someone just wants to
11 advertise on one station.....

12 A Huh-hum (interrogative).

13 Qare they able to do that?

14 A Yes.

15 Q How do you work that with the computers? If you're
16 rebroadcasting your FM stations how can -- how do you
17 do that?

18 A How do we do what, how do we do just one station?

19 Q Yeah.

20 A Each station is set up individually and each station
21 runs on its own hard drive. So therefore the
22 commercials that are logged into K Bay, air on K Bay,
23 the stations that are logged into K Wave run on K Wave
24 and the ones that run on KPEN run on KPEN. And we can
25 tell it to run on all three of those stations or any

1 two of those stations or any single station.

2 Q But, for example, KPEN is rebroadcast on other
3 frequencies, is that correct?

4 A On other translators?

5 Q Right.

6 A Correct.

7 Q Those translators are all considered part of KPEN as
8 far as advertising is concerned?

9 A If I understand what you're asking, yes.

10 Q In other words, if it's a translator that's
11 rebroadcasting KPEN then any advertisements that are on
12 KPEN are going to automatically be rebroadcast.....

13 A Correct.

14 Qis that correct?

15 A Correct.

16 Q So your ability is really only to program the full
17 service stations individually as far as advertisements
18 are concerned, is that correct?

19 A Exactly. We have always been a peninsula wide medium,
20 meaning that, you know, you had two alternatives, you
21 could either advertise to the Kenai Soldotna area and
22 the Kenai Soldotna area alone on the peninsula, or you
23 could advertise peninsula wide. And our -- as long as
24 I've been here our forte has been that we can -- you
25 know, that we reach all of the Kenai Peninsula in a

1 single media buy.

2 Q That is in fact your main selling point, is that true?

3 A Yes ma'am.

4 Q Okay. How would your advertising sales be affected if
5 the translators are shut down?

6 A Well, they -- it would be speculation on my point to
7 say that, you know, this is what's going to happen in
8 one area and this is what's going to happen in another.
9 But it would affect sales, yes.

10 Q Well, I understand it would be speculation. But you've
11 been selling advertising here for about 10 years and I
12 would think that with your background you would be able
13 to make an educated statement as to what you think the
14 effect would be and I'd be interested in hearing what -
15 - how -- the degree -- how would it be affected?

16 A Well, we would lose all revenue out of Kodiak, we would
17 lose all revenue out of Seward and we would have K Bay
18 and KPEN reaching central peninsula and then K Wave
19 reaching primarily the south peninsula. So it would be
20 detrimental. I mean I couldn't put a dollar figure on
21 it or a percentage figure, but they would definitely --
22 it would definitely affect the cash flow of the
23 station, yes.

24 Q Well, what percentage of your income -- for example you
25 sell in the.....

1 A Kodiak.

2 QKodiak area.

3 A Yes ma'am, uh-huh (affirmative).

4 Q What percentage of your income is from your sales in
5 the Kodiak area?

6 A Currently about \$500.00 a month is what I'm taking down
7 out of the -- the Kodiak area. And the reason for that
8 is because even since we came back online out there and
9 we found a way to deliver the signal once again, Dave
10 Becker asked me not to spend a lot of time tracking
11 down sales in Kodiak if we were going to go silent.
12 And he wanted to see what happened here before he -- we
13 -- he used to have a large following in the Kodiak
14 area. And when we had to -- when the White Alice site
15 was taken down and we lost delivery method to that area
16 there was a lot of people that -- that were hurt by
17 that, they didn't like the fact that we weren't there
18 as -- as -- as reflected in the unsolicited petition
19 for us to come back on the air out there. And what he
20 didn't want to do was is he didn't want to get out
21 there, build a large following again and then have
22 everybody disappointed because for, you know, reasons
23 beyond our control we're not able to service that
24 market.

25 Q Okay. Prior to going off the air you were still -- you

1 were selling at Kodiak at that time, is that correct?

2 A Yes and no, but I cannot -- that was the transition
3 period between the old Sales Manager, when he left
4 Kodiak was his area, he was leaving, I sold in Kodiak
5 for barely a year if even that long before the White
6 Alice site came down. So I don't have an -- an
7 accurate track record to tell you -- I mean I don't --
8 I can't say that this is the amount of money that we
9 pulled out of that area because I just don't have that
10 information.

11 Q When you.....

12 A That's something that could be provided I'm sure, but
13 it's not something I have access to.

14 Q Okay. You had no conversations with the prior Sales
15 Manager then about Kodiak being a lucrative sales area.

16 A No, I can't say that we did.

17 Q But you.....

18 A Obviously it was -- obviously we did well enough out
19 there that it warranted somebody flying out there once
20 a month.

21 Q And you think it would be significantly over the
22 \$500.00 a month if you were allowed to redevelop that
23 audience.

24 A I would certainly hope so. I would hate to go out
25 there for \$500.00 a month.